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TAGS: [PTER](#) [EFIN](#) [CVIS](#) [KCRM](#) [PREL](#) [CE](#) [LTTE](#)

SUBJECT: TAKING A CLOSER LOOK AT LTTE ACTIVITIES  
IN THE UNITED STATES

Classified By: Ambassador Jeffrey J. Lunstead  
1.4 (b, d)

1. Summary and Action Request (C): The Liberation Tigers of Tamil Eelam (LTTE) is engaging in numerous fundraising activities worldwide, from both "legitimate" sources and organized crime activities. As much as \$200 million of funds raised from their organized crime and "legitimate" fundraising activities around the world is being used to finance illicit weapons procurement. Anecdotal and other evidence suggests that the LTTE and related organizations may be raising significant amounts of money in the U.S. We recommend a concerted USG effort to look into this, a step that would quickly catch the LTTE's attention and send a message to the Tamil diaspora. End Summary and Action Request.

Turning Up the Heat on the LTTE

2. (C) In light of the Liberation Tigers of Tamil Eelam's poor human rights record and obstructionist approach to the peace process, Embassy Colombo has been looking at ways in which the U.S. might increase pressure on the LTTE, a designated foreign terrorist organization (FTO) under the Anti-Terrorism and Effective Death Penalty Act since 1997. To date, the "sticks" we have used include frequent public statements condemning LTTE behavior and calling on the Tigers to recommit to the peace process, as well as a standing policy to deny the LTTE legitimacy by not meeting with LTTE representatives at the political level.

3. (C) One obvious area in which the USG could do more to increase pressure on the LTTE is by taking a hard look at LTTE fundraising (and that of related organizations) in the United States. To date, Post is unaware of any focused interagency effort on this issue. Such a USG effort should, inter alia, focus on the activities of the Tamil Relief Organization (TRO), an "NGO" closely affiliated with the LTTE, which raises extensive amounts of money outside of Sri Lanka (as much as \$40 million annually according to some Embassy contacts). Indeed, the TRO has a U.S. branch which is a registered charity, has a website ([www.trousa.org](http://www.trousa.org)) and openly raises money in the U.S., purportedly for rehabilitation and relief activities. In addition, the USG should also examine the activities of the Tamil National Alliance (TNA), a political front party for the LTTE with 22 seats in Parliament. TNA members have traveled to the U.S. in the past to raise money at TRO-organized events (there are also unconfirmed reports that the TNA plans to open an office in Washington). Even if USG efforts fail to uncover substantial amounts of LTTE fundraising in the U.S., just the announcement that we were taking a closer look would have a significant and positive effect here.

How the LTTE Operates Elsewhere

4. (C) The LTTE has an impressive money-raising network among Tamil diaspora populations around the world. Embassies representing countries with substantial Sri Lankan Tamil populations report significant LTTE fund raising activities through both "legal" means and organized crime activities. Econoff has queried counterpart embassies of countries where significant Sri Lankan Tamil populations reside regarding the LTTE and their legal and illegal fundraising activities. A summary of reported LTTE financial activities in some of those countries follows:

United Kingdom

5. (C) The U.K. considers the LTTE a foreign

terrorist organization (FTO) and it is illegal in Britain to fundraise for or donate funds to the LTTE. Scotland Yard has concluded in a recent report that the LTTE is sponsoring numerous organized crime activities in the U.K., including extortion and threats against U.K. and Sri Lankan resident Tamils. They also engage in financial crimes, primarily credit card fraud in LTTE owned/financed gas stations and shops. Some Tamil U.K. LTTE sympathizers commit bank fraud by borrowing money from British banks and absconding back to Sri Lanka with the funds. The revenues from all of these financial criminal activities are estimated up to 10 million British pounds per year, or more. The LTTE also engages in human smuggling activities, facilitating the illegal immigration of thousands of Tamils to the U.K. annually. Once in the U.K., they often file asylum claims and receive temporary working status, paying a percentage of their income to the LTTE. The British High Commission here admits that HMG does little to enforce legal restrictions on LTTE activities since the resources that would do so are focused on post 9/11 actors instead.

#### Canada

16. (C) There are over 300,000 Sri Lankans, mostly Tamils, living in Canada. Many now hold Canadian citizenship. The LTTE is not listed as a FTO in Canada. However, the Tigers qualify as a FTO under Canadian terrorism laws, in that its members engage in the activities of a terrorist organization, but are not listed as an FTO as a "carrot" to the LTTE to continue with the peace process. If the government were legally challenged, the LTTE would likely be listed as a FTO through the courts. The Canadian High Commission here believes that if fighting resumes, that cabinet level policy will quickly change. Canadians are not permitted to donate funds to the LTTE, and the LTTE may not fundraise in Canada. The TRO and TNA are both considered a part of the LTTE by Canada and may not fundraise legally in Canada. LTTE members, TNA politicians (several TNA members of Parliament were recently refused visas) and TRO management are all ineligible to travel to Canada under their terrorism laws.

17. (C) The LTTE sponsors a variety of organized crime activities in Canada, including human trafficking, drug smuggling, extortion and gang violence. In 2003, Canada had a 14% asylum claim rate from Sri Lankans legitimately entering Canada on visitor visas. The Toronto Police have created a special Tamil Task Force to combat the problem. The Canadians estimate the LTTE raises \$10 to \$20 million annually in Canada. Former LTTE cadre, many claiming refugee status, reportedly form the backbone of the organized crime operations in both Canada and the U.K.

#### Australia

18. (C) Australia has a Sri Lankan Tamil population of approximately 25,000. Australia has the LTTE listed as a FTO. The TRO is not considered a part of the LTTE and legally raises approximately \$5 million per year in Australia. The LTTE regularly engages in extortion of Tamil residents by demanding that ten percent of income be donated to the LTTE. Unlike in the U.K. and Canada, most Sri Lankans living in Australia are professionals with high incomes who legally immigrated to Australia.

#### France

19. (C) The LTTE is not considered a FTO in France. However, French internal intelligence monitors LTTE activities quite closely. There are approximately 100,000 Sri Lankans in France, the majority of whom are Tamil. Forty percent of Sri Lankans in France are either currently seeking asylum or are in France illegally. Through front operations, the LTTE owns gas stations and McDonald's franchises with significant profits going to the LTTE. The LTTE is also involved in human trafficking, drug smuggling and extortion of wealthy French Tamils. There are also reports through the Sri Lankan Director General of Military Intelligence of the LTTE running a lottery in France generating as much as \$4-\$5 million per month of income. The

French Ambassador told us last week that his government was organizing a seminar that week to discuss ways of cracking down on illegal Tamil activities.

#### Germany

10. (C) Germany has approximately 40,000 Sri Lankan Tamil residents. Approximately one third are illegally in Germany. Germany no longer accepts Sri Lankan asylum claims. Germany does not consider the LTTE a FTO. The German embassy has no information regarding LTTE fundraising operations in Germany.

#### Norway

11. (C) Norway, as the facilitator of the peace negotiations, does not list the LTTE as a FTO. There are approximately 10,000 Sri Lankan Tamils living in Norway. The LTTE openly fundraises in Norway and runs Tamil-speaking schools to raise money. There are no reports of illegal activities. The Norwegians believe their status as moderator of the negotiations keeps the LTTE from using more aggressive fundraising tactics. The Norwegians are unwilling to share LTTE fundraising information without permission from Oslo.

#### LTTE Domestic Financing

12. (C) LTTE fundraising in Sri Lanka is just as impressive as the overseas operation. Since the signing of the ceasefire agreement in 2002, the LTTE has levied "taxes" in the areas under its control. The LTTE control of the A9 highway, which runs from Colombo north to Jaffna through LTTE-controlled areas, is lucrative in this regard. According to the Sri Lankan Director General of Military Intelligence (DGMI), the LTTE is generating approximately \$2 million per year from A-9 road taxes. A more important source of funding are the "taxes" paid by businesses in the LTTE-controlled areas. Business "taxes" are estimated by the DGMI to be \$15 to \$18 million per year. Farmers are also "taxed" a percentage of their harvests in the North and East. Overall, the DGMI believes that the LTTE can finance its internal operations and parallel "government" from internally generated revenue sources, leaving foreign fundraising to pay for weapons purchases. LTTE revenue flows are a murky subject, but the best estimate from the DGMI of annual intake from domestic "taxes" is \$25 to \$50 million. The best estimates from the DGMI on foreign fundraising is \$150-\$200 million or more.

#### LTTE Banking

13. (C) Both LTTE-sponsored and GSL-sponsored banking infrastructures in LTTE-held areas make it relatively easy to move money to LTTE control from overseas. In meetings with econoff, Central Bank Deputy Governor Ranee Jayamaha described the full-service banking operations provided by the state-run banks in LTTE controlled areas. Nothing prevents LTTE supporters or controlled entities (or LTTE leader Prabhakaran himself) from receiving and withdrawing a foreign remittance at the People's Bank or Bank of Ceylon branches in Kilinochchi, the LTTE's heartland. The LTTE-run Bank of Tamil Eelam (BTE) has 10 branches in LTTE controlled areas and provides simple banking services. BTE does not clear checks through the Sri Lankan clearing system but there could be informal clearing between local state-owned bank branches and BTE, Jayamaha speculated. However, according to BTE advertising, the bank is able to accept checks drawn on foreign banks, in all forms of currency, and offers up to eleven percent deposit rates on foreign currency accounts.

#### LTTE Fundraising in the U.S.

14. (C) Although we do not have detailed information on Tamil activities in the U.S., anecdotal evidence suggests that fundraising in the U.S. by the LTTE and related organizations is significant. When a USAID employee recently met with LTTE working-level officials in Kilinochchi in an attempt to exempt USAID shipments of goods through LTTE territory from LTTE "taxes," LTTE officials asked in puzzlement why the U.S. was trying to avoid giving money to the LTTE in Sri Lanka "when we raise so much money in the

States." Moreover, the TRO U.S. website reports a recent fundraising event in New Jersey which garnered roughly \$45,000.

#### Visas and Passports

15. (C) Beyond financial flows, there are other key aspects to U.S. Tamil activities. We know for a fact that some U.S. citizen Tamils (and presumably some green card holders as well) travel back and forth openly to LTTE-held territories and that some of them stay for periods of time working on relief and developments projects, etc. Several American citizens are known LTTE sympathizers and recently spoke at a Tamil cultural event held in New Jersey where the LTTE flag was featured and LTTE fundraising activities likely occurred. Bank account information possibly involving one Amcitt with potentially sending funds to the LTTE was recently provided by the DGMI and sent septel.

16. (C) A good example of U.S. Tamil activity in LTTE areas is Wannai Tech, an information technology (IT) training center with state-of-the-art facilities, largely financed by U.S. resident Tamils working in the IT sector. Wannai Tech representatives have briefed Econ and USAID, seeking (unsuccessfully) U.S. government assistance. They have been advised of prohibitions on providing material benefit to the LTTE. They claim they are able to assure only legitimate students are enrolled. The Embassy is aware of Wannai Tech because the organizers came in to see us; we have to assume there are similar U.S.-based or funded activities in LTTE territory of which we are not aware because the involved U.S. Tamils do not seek us out when they come into country.

17. (C) The issue of visa issuances ties in closely to fundraising in the U.S. Presumably many TNA officials and other Tamil Sri Lankans seeking visas wish to attend TRO or other fundraising events in the U.S., even if they do not explicitly so state on their applications or in their interviews. For example, Father M.X. Karunaratnam, the head of the newly established LTTE-linked human rights organization NESOHR, was recently in the U.S. and met with the Sri Lanka desk officer and with some human rights organizations. A later review of his visa application showed no mention of human rights activities but cited attendance at a Tamil community function as the stated reason for travel. We might well have chosen to issue a visa anyway, but knowledge of his plans to attend Tamil functions at which funds were raised would have been germane to the adjudication process.

#### Action Request

18. (C) Post believes that now is an excellent time to increase pressure on the LTTE by investigating its fundraising activities in the U.S. and, where possible, denying access to sources of funds there. Even just a preliminary step such as, for example, a request by relevant U.S. agencies to TROUSA that it come in to discuss its fundraising activities would send a clear message to the LTTE and the Tamil diaspora regarding our impatience with the Tigers' terrorist tactics and lack of commitment to the peace process. TRO might be a legitimate charitable organization, which scrupulously ensures its funds are not diverted to illegal Tiger activities. It could also be a front for funneling funds to the Tigers. Or, it could be somewhere in between, with some money going to legitimate relief and some to the Tigers. The point is that we do not know, and we should.

19. (C) There also may be value in a USG statement urging any U.S. citizens contemplating a trip into LTTE-held territory or a contribution of time or money to any activity in LTTE-held territory to satisfy themselves that they are not supporting terrorist activities or be subject to possible legal repercussions. This would send a strong public message. At the same time, we intend to pay greater attention to visa applications from prominent Tamils who might be planning to include fundraising in their U.S. itineraries.

20. (C) We would appreciate comments and

feedback from relevant Washington offices and agencies on how best to use greater scrutiny of LTTE and related organization activities to increase pressure on the LTTE to get back to the peace table and to turn off money flows that could be financing LTTE weapons purchases or terrorist activities.

LUNSTEAD